



Organic Potash Corporation

December 31, 2023

Management's Discussion and Analysis ("MD&A")

February 29, 2024

Introduction

The following discussion and analysis is a review of operations, current financial position and outlook for Organic Potash Corporation (the "**Company**" or "**OPC**") and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2023 and unaudited condensed interim consolidated financial statements for the three and six-month periods ended December 31, 2023. Results are presented for the three and six months ended December 31, 2023 and 2022. Amounts are reported in Canadian dollars based upon the unaudited condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards.

This MD&A provides management's view of the financial condition of the Company and the results of its operations for the reporting periods indicated. Additional information related to OPC is available as filed on the Canadian Securities Administrators' website at www.sedar.com.

Forward-looking information

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, the future price of resources, the estimation of resources, the realization of resource estimates, the timing and amount of estimated future production, costs of production, capital and operating expenditures, access to sufficient liquidity and capital resources, requirements for additional capital, government regulations and limitations of insurance coverage. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "foresees" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on assumptions. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; future prices of resources; possible variations recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the industry; political instability; delays in obtaining financing or in the completion of construction activities, as well as those factors discussed in the section entitled "Risk Factors" in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A, and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or result, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

General Development of the Business

Company Overview

The Company (originally incorporated under the name Ghana Canada Resources Inc.) was incorporated in Ontario on June 26, 2009. The Company has a former subsidiary GC Resources Ltd. (“GCR”), in which it now holds a minority position, incorporated under the laws of Ghana, with its head office located in Accra, Ghana. The Company has been engaged in the production and export of potassium carbonate produced from agricultural waste, in particular, cocoa husks. The Company trades on the Canadian Securities Exchange under the symbol OPC. In 2016 the operations are on hold pending additional funding. The address of the Company’s registered office is 10 Wilkinson Road, Suite 22, Brampton, Ontario, L6T 5B1, Canada.

On July 31, 2009, GCR entered into a license agreement with GC Technology Limited (“Technology”), acquiring the rights to manufacture and sell organic potassium carbonate produced using Technology’s patented process to manufacture industrial grade potassium carbonate from the ash of cocoa husks. As the agreement was originally signed with GC Resources Ltd., on July 1, 2014, a revised license was signed directly with OPC on the same terms and conditions save as to a renewal of the terms. The Company then sub-licensed with GC Resources Ltd. exclusively and limited to Ghana on the same date. This license continues on a month-to-month basis.

Ghana is the second largest cocoa producer in the world and shares a border with the largest cocoa producer in the world, the Ivory Coast. The combined cocoa production of Ghana and the Ivory Coast accounts for approximately 60% of the world’s cocoa production.

Sales and Operations Update

Ghana Operations

In 2015, the Company entered into agreements with Mclean Ghana Ltd. (“MGL”) (a corporation controlled by Mr. Augustus Tanoh a director of OPC) in order to facilitate the receipt of funding necessary to construct and operate a production facility in Ghana. The effective date of the transaction was on November 18, 2015, upon the registrar of companies certifying the transfer of the shares.

The agreement with MGL is as follows:

- MGL will purchase fifty-five percent (55%) of the issued and outstanding shares of GC Resources Ltd. (“GC”) from OPC for the sum of one hundred Canadian dollars (\$100) and the successful raise of funds, in the form of mixed grant and interest free debt, from the Export Trade, Agricultural & Industrial Development Fund of Ghana (“EDAIF”) of 8,832,000 Ghana Cedis (approximately three million Canadian dollars (\$3,000,000) (“Raise of Funds”). Closing will occur on the date of the first draw down on the EDAIF facility. As at December 31, 2022, no funds have been received.
- The conveyance of shares has occurred however the date for successful raise of funds expired. The first renewal was granted until December 31, 2016 at which time if not complete the shares were to revert to the Company. However, the Company had to extend the expiry date to June 30, 2017 due to Ghana electing a new party in Government. Loan/grant applications will be resubmitted under new regime. After June 30, 2017, the Company continued the agreement on a month-to-month basis.

- OPC will maintain 50% control of the Board of GC, and it is agreed that prior to any payments being completed, approval must be received from an OPC designated representative. The CEO of OPC shall remain as Chair of GC.
- An option agreement was also executed where-in-which, after the Raise of Funds has been completed OPC may repurchase the 55% of GC, acquired by MGL, at any time, by paying MGL, one hundred Canadian dollars (\$100.00 CAD) plus three hundred and fifty thousand (350,000) common share options at \$0.05 of OPC and repaying all the amounts advanced by the EDAIF.

Ivory Coast Operations and Subscription of Shares

On November 20, 2015, the Company signed a Joint Venture Agreement (“JV”) with New Commodity Ventures (“NCV”). Under the terms of the JV, OPC and NCV will incorporate a new company (“JVco”), with each of OPC and NCV owning 50%, which will be granted an exclusive sublicense for the production and sale of potassium carbonate in the Ivory Coast. The sublicense will have a royalty rate of 5% of gross sales, payable quarterly up until US\$800,000 has been paid annually, and then the royalty will be reduced to 1.5%. The term of the license will be for the same period as OPC’s current license with GC Technology.

Under the terms of the JV, OPC will provide the license, technology expertise, marketing and sales expertise and such other support as may be appropriate with the design and implementation of the plant facility, without being responsible for any hard costs. NCV will be responsible to raise all funds necessary for the start-up and continued operation of the JV, not to be less than USD\$2,000,000. NCV will also be responsible for recruiting the local team, management of the day to day administration and operations as well as developing and structuring the supply chain in the Ivory Coast. As at December 31, 2022, the Joint Venture has not commenced operations and has no assets and liabilities.

In conjunction with the JV, NCV purchased 2,916,667 common shares of the Company at US\$0.06 per share for the total subscription value of US\$175,000.

Côte d’Ivoire Operations

OPC together with NCV, its joint-venture partner in Côte d’Ivoire have executed on December 30, 2019, a joint-development agreement (“JDA”) with Electricité de France S.A. (“EDF”). EDF is a global leader in low-carbon energy production.

The JDA enables the completion of detailed technical studies and negotiation of financial terms, leading to the launch of a first industrial plant using cocoa pod husks to annually produce electricity (1.8MW) and 2,500 tons of ash which will be transformed into a mix of food grade potassium carbonate crystals (at 99% purity) (approx. 1,500 tons), potassium carbonate solution and organic sourced fertilizers using OPC’s licensed technology.

Following the successful launch of this first integrated energy/potash plant, the project partners intend to install similar modular units with an objective to produce an annual minimum of 10MW of electricity and process over 12,500 tons of cocoa husk ash in Côte d’Ivoire. Africa supplies approximately 75% of global cocoa. Ivory Coast alone produces 43%. This represents a unique opportunity for major growth prospects for OPC and its technology.

Selected Financial Information and Management's Discussion and Analysis

Summary of Quarterly Results

The following table sets out selected unaudited financial information, presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards (“IFRS”), for each of the last eight quarters ended, up to and including December 31, 2023:

Year	2023	2023	2023	2023
Ending	December 31	September 30	June 30	March 31
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Finance Income (Loss) ⁽¹⁾	(3,277)	(774)	17,581	(3,277)
Working Capital (Deficit)	(372,162)	(351,215)	(332,005)	(323,430)
Expenses (Recovery)	17,101	14,935	5,702	17,846
Net Income (Loss)	(17,101)	(14,935)	(5,702)	(17,846)
Net Income (Loss) (per Share)	(0.00)	(0.00)	(0.00)	(0.00)

Year	2022	2022	2022	2022
Ending	December 31	September 30	June 30	March 31
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Finance Income (Loss) ⁽¹⁾	(3,276)	(3,277)	(4,462)	(3,475)
Working Capital	(305,608)	(286,822)	(352,209)	(401,570)
Expenses	19,128	19,135	(4,892)	17,989
Net Income (Loss)	(19,128)	(19,135)	4,892	(17,989)
Net Loss (per Share)	(0.00)	(0.00)	(0.00)	(0.00)

(1) Finance Income (Loss) consists of interest expense and foreign exchange gain (loss).

Revenue

During the three and six months ended December 31, 2023, the Company did not complete any sales as it remains focused on financing, seeing out joint ventures, working on restructuring operations in Ghana, and a JV in the Ivory Coast and Côte d’Ivoire. Continuing sales is dependent on the Company obtaining financing in order to continue producing and marketing the products.

Finance Income (Loss)

During the three months ended December 31, 2023, the Company incurred a finance loss of \$3,277 compared to a financial loss of 3,276 during the three-month period ended December 31, 2022. The major fluctuations related to foreign exchange differences between the Canadian dollar compared to the United States Dollar and Ghanaian Cedi.

Working Capital

The working capital deficit slightly increased compared to the prior period from \$305,608 in the quarter ended December 31, 2022 to \$372,162 in the quarter ended December 31, 2023, mainly due to the operational expenses for the period.

On August 19, 2022, the Company completed the non-brokered private placement for gross proceeds of \$86,250 comprised of 3,450,000 units at a purchase price of \$0.025 per share.

As at December 31, 2023, the Company had \$130,000 (June 30, 2023 - \$130,000) of debentures remaining outstanding with accrued interest of \$149,683 included in accounts payable and accrued liabilities (June 30, 2023 - \$143,130).

Going Concern

The Company has significant negative cash flows from operations and a significant working capital deficiency. Whether and when the Company can attain profitability and positive cash flows is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. There can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company.

The financial statements associated with this MD&A have been prepared in accordance with IFRS applicable to an entity expected to continue as a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments other than in the normal course of business and at amounts different from those in the accompanying financial statements. Adjustments to the statement of financial position would be material if the Company was unable to continue as a going concern.

Liquidity, Capital Resources and Financings

As at December 31, 2023, the Company had a cash balance of \$13,576 (June 30, 2023 – \$29,871) and working capital deficit \$372,162 (June 30, 2023 - \$332,005) The Company's commitments consist of the royalty under the licensing agreement. As the Company currently has negative working capital, additional financing is required to pay for capital, operating, and administrative costs to move the business forward.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Commitments and Contingencies

The Company currently has a license agreement with GC Technology Limited (“GC Technology”), a company where a director of the Company is a director, acquiring the rights to manufacture and sell organic potassium carbonate produced using GC Technology’s patented process to manufacture industrial grade potassium carbonate from the ash of cocoa husks. The licensing shall expire on June 30, 2035, and has an automatic renewal for an additional 20 years. As consideration for the license granted, the Company is to pay GC Technology an ongoing royalty fee equal to 4% of the gross sales up to a maximum of US\$800,000 royalty fee per year. No payments have been made to date under this arrangement.

Transactions with Related Parties

On November 20, 2019, the Company issued 250,000 stock options to a Director as compensation for services.

On December 29, 2019, the Company issued 750,000 stock options to the Chief Financial Officer as compensation for services.

As at December 31, 2023, the Company:

- a) has 1,000,000 (June 30, 2023-1,000,000) - stock options granted to key management.
- b) has a \$29,349 balance owing to key management and remained in accounts payable and accrued liabilities and other. \$24,349 of that was owing to the former subsidiary management in Ghana. liabilities (June 30, 2023 - \$24,349).
- c) has a balance of \$82,719 owing to a company controlled by two directors of the Company and remained in accounts payable and accrued liabilities (June 30, 2023- \$46,769).
- d) had interest-free loans from directors and senior officers of the Company and companies controlled by the directors and senior officers. The total of these loans amounts to \$36,919 (June 30, 2023 - \$36,919), and consisted of GHC 238,349, and USD\$ 7,200. Of these amounts, \$36,919 are statute-barred as of June 30, 2023 (June 30, 2023 - \$47,769).
- e) has \$1,530 (June 30, 2023 - \$1,530) held in trust by the director of the company.

Outstanding Share Data

For information regarding outstanding share capital and dilutive instruments of the Company, please see the table presented below as at February 29, 2024:

Common shares	121,124,961
Stock options	1,000,000
Debentures	3,250,000

On November 20, 2019, and December 29, 2019, the Company issued 250,000 and 750,000 stock options respectively to the director and key management personnel as compensation for services.

Options issued	250,000 & 750,000
Exercise price	\$0.05 & \$0.021
Share price	\$0.01 & \$0.02
Risk-free interest rate	0.35%
Expected volatility based on historical volatility	340% and 338%
Expected life of options	5 years
Expected dividend yield	Nil
Fair value	\$2,499 & \$14,998
Fair value per option	\$0.01 & 0.02

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, assumptions and estimates that affect the financial results of the Company. These estimates are reviewed regularly, but changes in circumstances and new information may result in actual results that differ materially from current estimates.

Significant areas requiring the use of management estimates relate to the calculation of deferred taxes, allocations to share issue costs, functional currency, amounts allocated to the liability versus equity components of convertible debentures, movement from property, plant and equipment under construction, useful life and impairment indicators, and assumptions used for the Black-Scholes option pricing model for the valuation of warrants and share-based payments.

Liquidity, Capital Resources and Business Prospects

The unaudited interim consolidated financial statements of the Company have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. For the six months ended December 31, 2023, cash used in operations by the Company was \$16,295 (\$54,085 for the six months ended December 31, 2022) and the Company carried an accumulated deficit of \$6,522,107 (June 30, 2023- \$6,490,071). Furthermore, the Company had not generated revenue from operations. While management is able to control the timing of significant capital expenditures, it has certain on-going cash obligations. At present the Company has assessed it may have sufficient cash balance to meet required operating expenditures through the end of fiscal 2022. As such, in management's judgment there remains the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company will continue to pursue opportunities to raise additional capital through equity markets, debt and/or related party loans to fund its exploration and operating activities; however, there is no assurance of the success or sufficiency of these initiatives. The Company's ability to continue as a going concern is dependent upon it securing the necessary working capital and exploration requirements and eventually to generate positive cash flows either from operations or additional financing.

Risk Factors

The Company is exposed to a variety of risks and uncertainties, including, but not limited to the risks set out below:

No Ongoing Operations and No Production History

The Company will be a potassium carbonate producer and export company with no current or historical producing operations or revenue.

The Company's Operations are Subject to Operational Risks and Hazards Inherent in the Potassium Carbonate Industry

The Company's business will be subject to a number of inherent risks and hazards, including; environmental pollution, accidents or spills; industrial and transportation accidents, which may involve hazardous materials; labour disputes; power disruptions, accidents; failure of plant and equipment to function correctly, the inability to obtain suitable or adequate equipment, fires; blockades or other acts of social activism; changes in the regulatory environment; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, and technical failure of production methods. There is no assurance that these risks will not have adverse effects on the Company.

The Company Will Require Additional Capital in the Future

The Company has limited financial resources. The Company will continue to make substantial capital expenditures related to development and production. The development of the potassium carbonate manufacturing plant and related activities can require significant expenditures, with a period of time occurring before production can commence. There can be no assurance that the Company will be able to obtain necessary financing in a timely manner on commercially acceptable terms, if at all. Failure to obtain such additional financing could result in delay or indefinite postponement of development of its potassium carbonate project.

Environmental Risks and Hazards

The Company's operations will be subject to environmental regulation in the jurisdictions in which it operates. These regulations set forth limitations on the general, transportation, storage and disposal of waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government Regulation

The Company's planned production and export activities may be subject to various laws governing production, export, taxes, labour standards and occupational health, safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Company believes its production and export activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulation governing operations or more stringent implementation thereof could have an impact on the Company and cause increased expenditures or reduction in levels of production.

Cocoa Husk Risks

The Company is dependent on the cocoa husks to be supplied by the cocoa farmers in Western Africa. If harm were to come to the cocoa crop through natural disasters such as flood, drought or disease among others, the Company's ability to produce potassium carbonate could be significantly impacted. If other technologies were to be created which call for the use of cocoa husks, the Company would be exposed to competition in obtaining the husks.

Competition

The industry is competitive and the product is typically produced through the extraction of potassium carbonate or potash through mining. The Company will be competing with established potash companies in the mining industry for initial sales. The Company has no firm purchase commitments from any customers due to the early stage of operations. As the Company's potassium carbonate is produced through a manufacturing process converting cocoa husks to potassium carbonate, customers may be hesitant with purchasing from the Company versus a competitor. Such competition may result in the Company being unable to acquire desired entry in the market.

Political Risk

The Company's future prospects may be affected by political decisions about the potassium carbonate market. There can be no assurance that the Canadian, Ghanaian, or other government or quasi-governmental authority will not enact legislation or other rules affecting the production of potassium carbonate, or restricting to whom the Company can sell to.